



**FIRE BRIGADES UNION**

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**CIRCULAR: 2011HOC0645MW**

22 December 2011

**TO: ALL MEMBERS**

Dear Brother/Sister

**FIREFIGHTER PENSIONS: LATEST DISCUSSIONS AS AT 21 DECEMBER**

I know that FBU members will be following closely the reporting and debate in the media regarding public sector pensions. In a statement to Parliament on 20 December the Chief Secretary to the Treasury, Danny Alexander, announced that broad agreements had been reached with unions in a number of the main public sector pension schemes. He reported that these draft "heads of agreement" would require further detailed discussion and consideration by union members before any final settlements may be achieved.

It is important to note that regardless of the position elsewhere the situation in relation to the Firefighters' schemes is somewhat different. This is largely due to the delay in the setting of a cost ceiling. As previously reported, this was only issued for the Fire Service on 8 December and we have been considering the implications of the cost ceiling since then. The 'reference scheme' issued along with the cost ceiling included a proposed accrual rate of 1/57. This compares with the proposed accrual rates of 1/60 in other schemes and clearly represents an improvement. However, the detail is still being examined and the key concerns of the union remain.

**Cost ceiling methodology**

A key argument in our discussion has been around the issue of Normal Pension Age. We have presented significant evidence challenging the proposal for a Normal Pension Age of 60. We have also argued that this same argument applies in relation to the New Firefighters Pension Scheme (NFPS) introduced in 2006 and to all members of that scheme.

While there has been some acknowledgement of the strength of our argument on this point, it is our view that the cost ceiling does not take adequate account of this factor. Our concerns on this matter have been raised immediately with the Fire Minister at CLG and we have also raised the same concerns with Ministers in Scotland, Wales and Northern Ireland. We today raised these and other concerns at a meeting of stakeholders called by CLG to discuss their pension proposals.

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Essentially we have argued that if it is accepted that a Normal Pension Age of 60 is unworkable then any pension scheme must take account of that. The Government's costing (and therefore the cost ceiling) of the proposed scheme would therefore need to be adjusted. At the meeting yesterday, the concerns raised by the FBU on this point were echoed by various other organisations.

### Timescales

Government has announced that they have set a deadline of 20 January for the conclusion of discussions. However, you should note that as recently as 7 December HM Treasury had announced that the 'deadline' for discussion was the end of 2011. The FBU made very clear that their deadline was completely unacceptable and would not be met. CLG officials have now informed us of their new 'deadline'. This 'deadline' has also not been agreed in any way by the union and the details will be reported to the Executive Council who will consider a response.

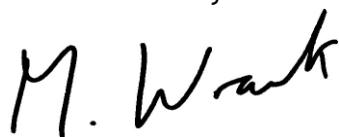
A series of further meetings are scheduled with CLG officials and we continue to examine the detail of the Government figures with our actuaries. I am sure you will appreciate that these matters include the need for very detailed examination of the various technical issues.

I am aware that all members will be greatly concerned that there is no let up in the pressure on us over our pensions. We have always expressed our willingness to enter dialogue with Government around the concerns and proposals they have raised - despite our fundamental disagreement with Government policy on this issue. However, we also expect them to behave reasonably in response. That means a requirement on Government to take full and proper account of evidence presented and to allowing sufficient time for genuine discussions to take place. We are currently unconvinced that this is happening.

We continue to work with our actuaries to examine all these issues in detail. We continue to engage in dialogue with Government officials. It remains the case that there are no detailed proposals to report to members at this stage. These and any further developments will be reported to the Executive Council in early January and further information will be issued as soon as available.

Best wishes.

Yours fraternally

A handwritten signature in black ink, appearing to read 'M. Wrack', written in a cursive style.

**MATT WRACK**  
**GENERAL SECRETARY**

*MW/sll*